

**Valence8 US LP**

**CRD Number 317389**

**March 15, 2024**

This brochure provides information about the qualifications and business practices of Valence8. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an Investment Adviser does not imply that Valence8 or any of its principals or employees possesses a particular level of skill or training in investment advisory business or any other business.

If you have any questions about the contents of this brochure, contact us at (508) 281-9208 or email at [compliance@valence8.com](mailto:compliance@valence8.com)

Additional information about Valence8 is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 Summary of Material Changes

Valence8 believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide complete and accurate information at all times. Valence8 encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

Valence8 US LP's prior Disclosure Brochure was filed June 30, 2023. Since that date, the following material changes have occurred:

- Valence8 has updated our contact phone number and email address. Changes were made in Items 1 and 2.
- We have included services available to separately managed clients including: asset allocation, consolidated reporting, liquidity planning, execution & rebalancing, and family office investment committee. These services are included with the investment management fees as described in Item 5. Please refer to Item 4 for additional details on the additional services.
- Valence8 has amended the maximum performance management fees from 5% to 10% and updated the relevant figures in the provided sample. Please see Item 6 for further details.
- We have included additional details regarding our aggregated trading and allocation policies. We make reference to the additional details in Item 6 and included the additional details in Item 19.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs. At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 317389.

You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (508) 281-9208 or by email at [compliance@valence8.com](mailto:compliance@valence8.com).

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## Item 4 Advisory Business

### Firm Description

Valence8 US LP ("Valence8" or the "Firm") is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The Advisor was founded in October 2021 and is organized as a Limited Partnership ("LP") under the laws of the State of Delaware. Valence 8 was founded by Colin Pan and is owned by Valence8 US LLC.

### Types of Advisory Services

Valence8 offers customized discretionary and non-discretionary investment advisory services to ultra-high net worth individuals, family offices, trusts, investment companies, charitable organizations such as family foundations and institutional clients (referred to herein as "Clients"). The Firm advises Clients regarding the overall allocation of their investment portfolio, asset allocation within asset classes and investment product recommendations. Valence8 recommends an investment strategy for Clients which focuses on investments in both public and private markets, by way of investments in other portfolio funds as well as co-investments and direct investments. Individual Mandates will be customized, as agreed in advance with the Client to seek to meet each Client's risk and return objectives.

In addition, Valence8 will offer the following services to separately manage accounts clients, as appropriate:

- Asset Allocation - advice on overall portfolio asset allocation and investment strategy, including outside assets and legacy investments;
- Consolidated Reporting - performance reporting on investments, including outside assets, legacy investments and investments with other managers / advisors;
- Liquidity Planning - investment portfolio cash flow planning for investment activities including funding of capital calls for private investments, and other spending needs;
- Execution & Rebalancing - support with investment execution and rebalancing of outside assets, including capital call funding; and
- Family Office Investment Committee - a Valence8 professional serves as a dedicated member of a family office Investment Committee, providing independent governance and counsel on investment matters relating to the family.

### Investment Vehicles

Typical investment vehicles we advise on generally include, but are not limited to, publicly-traded mutual funds, private placement vehicles (e.g., hedge funds or private equity funds), other private investments, separately managed accounts, unit trusts and exchange-traded funds ("ETFs"). In general, we are not advising clients on individual stocks or bonds, except in the context of overall asset allocation or with respect to the co-invest strategies.

Valence8 serves as the general partner of privately offered domestic funds (i.e., US domiciled entities) and as the investment manager to privately offered offshore funds (i.e., Cayman Island domiciled entities) (each a "Fund" and collectively the "Funds") and may recommend these Funds to Clients as appropriate. The Firm manages the investment activities of the Funds in accordance with the investment strategies, guidelines and restrictions described in detail in each Fund's offering documents. The Funds are (a) privately placed, (b) not registered under the Investment Company Act of 1940, as amended, and (c) may or may not be continuously offered. Please see Item 8 for further details on the Firm's investment strategy.

The Firm is the investment manager to the following privately offered funds:

- **Valence8 Directional (Core) Fund Ltd:** a Cayman Island domiciled Master Fund into which

the following Feeder Funds invest their assets:

- **Valence8 Directional (Onshore) LP:** a Delaware domiciled limited partnership, organized to facilitate investment by US taxable Investors; and
- **Valence8 Directional (Offshore) Ltd:** a Cayman Island exempted company, organized to facilitate investment by non-US and US tax exempt Investors.
- **Valence8 Diversified (Core) Fund Ltd:** a Cayman Island domiciled Master Fund into which the following Feeder Funds invest their assets:
  - **Valence8 Diversified (Onshore) LP:** a Delaware domiciled limited partnership, organized to facilitate investment by US taxable Investors; and
  - **Valence8 Diversified (Offshore) Ltd:** a Cayman Island exempted company, organized to facilitate investment by non-US and US tax exempt Investors.
- **Valence8 PE 2022 (Core) Fund LP:** a Cayman Island domiciled Master Fund into which the following Feeder Funds invest their assets:
  - **Valence8 PE 2022 (Onshore) Fund LP:** a Delaware domiciled limited partnership, organized to facilitate investment by US taxable Investors; and
  - **Valence8 PE 2022 (Offshore) Fund LP:** a Cayman Island exempted limited partnership, organized to facilitate investment by non-US and US tax exempt Investors.
- **Valence8 PE 2023 (Core) Fund LP:** a Delaware domiciled limited partnership in which the following Feeder Fund invest its assets:
  - **Valence8 PE 2023 (Cayman) Fund LP:** a Cayman Island exempted limited partnership, organized to facilitate investment by non-US and US tax exempt Investors.

### **Assets Under Management**

As of December 31, 2023, we provide continuous management services for \$872,255,059 in client assets on a discretionary basis, and \$37,217,765 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Fees**

Fees paid to Valence8 for investment management services ("management fees") are generally dependent on the nature of the services being provided. Typically, Valence8 charges Clients an annual management fee based on the value of assets under the Firm's management, which is payable monthly or quarterly in arrears, as detailed in each client's agreement. In general, we charge an annual management fee that can range up to 1.00% per annum based on the value of asset under management at the end of each calendar month, not including assets invested in the Funds, which are billed separately. Valence8 may receive performance based compensation of generally up to 5%, subject to a high-water mark, and relative performance-based compensation of generally up to 10%, payable annually. Fees may vary by Client size, complexity and other factors deemed appropriate by the Firm. Performance based fees are described below in the "Performance-Based Fees" section. Individual Mandates initiated or terminated during a calendar quarter will be charged a prorated fee.

Following termination of an agreement, in respect of each illiquid asset advised by Valence8, Clients may have the obligation to pay to the Firm a one-time only fee equal to 3% of the aggregate amount of all original commitments to those illiquid assets in which Client still have a material interest less management fees paid to date for such illiquid assets.

Valence8 charges the Funds a management fee and a performance fee that is disclosed in detail in each Fund's private placement memorandum, investment management agreement, limited partnership agreement and/or other documentation received by each investor prior to investment in a Fund. Fees may differ from one Fund to another, as well as among investors in the same Fund. The Funds also bear their share of expenses are set forth in the "Other Fees and Expenses" section below. Certain of the Funds charge fees monthly or quarterly in advance, pursuant to each Fund's governing documents.

The Firm's fees and any incidental expenses will reduce the assets held in, and the return experienced by, Clients.

### **Fee Billing**

Client fees may be collected from the Client's custodial account with the Client's authorization, collected via an invoice sent to the Client, or collected directly from the Funds as permitted by the relevant Fund's private placement memorandum. Some Clients may have fees collected from a combination of these three sources, i.e. custody account, direct invoice and/or domestic or offshore fund entities.

The amount due is calculated by applying the monthly rate (annual rate divided by 12) to the total assets under advisement with Valence. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility.

### **Other Fees and Expenses**

Clients may be charged fees or commissions in addition to the management fee paid to Valence8. These may include brokerage commissions and other custodial fees charged by third-party organizations. Clients may also be charged expenses (e.g., legal costs) incurred in relation to their direct co-investments.

Investors of the Funds will incur fees indirectly through their investment in the Funds, which pays investment management fees to Valence8, as well as other operational expenses, including legal, compliance, accounting (including third-party accounting services), auditing and other professional expenses, organizational expenses, administration fees, and expenses, bank service fees, and other expenses all fees, costs and expenses, if any, incurred in evaluating, negotiating, structuring, acquiring, appraising, financing, custody, settling, holding, developing, disposing of, refinancing or otherwise dealing with actual or proposed investments pursued the Funds (whether or not the Funds actually makes an investment), including any "dead deal" costs, financing, consulting, advisory, legal, due diligence, investment banking, reporting, projections, valuation, tax and accounting expenses, and other fees and out-of-pocket costs related thereto and any insurance, indemnity, or litigation expense. A description of these fees and expenses will be set forth in the applicable investment advisory, management agreement, or offering document of each Fund.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

### **Performance-Based Fees**

We charge performance-based fees to "qualified clients" having a net worth greater than \$2,200,000 or for whom we manage at least \$1,100,000 immediately after entering an agreement for our services. Performance-based fees are fees based on a share of capital gains or capital appreciation of a client's account. The fixed portion of the fee will not exceed 1.00% per annum of current portfolio equity, payable annually. The performance fee is generally equal to a maximum of 10% of the annual gross profits, subject to a high-water mark. As an example, if a client portfolio appreciates 10% during a calendar year (net of management fees and expenses), our incentive fee will be 5% of 10%, which translates to 50 basis points or 0.5%. Fees will be adjusted for deposits and withdrawals made during

the 12-month period. In the event the client makes a complete withdrawal from the account on a date other than year-end, fees will be due at the time of withdrawal. Refer to the *Fees and Compensation* section above for additional information on this topic.

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance-based fees may also create an incentive for our firm to overvalue investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have readily ascertainable value.

### **Side-By-Side Management**

As discussed in Item 4, Valence8 is an investment manager to affiliated private pooled investment vehicles and serve as the General Partner to each Fund, respectively. The General Partners and Valence8 have the same management structure and owners.

The affiliated Funds may present certain potential conflicts of interest with respect to Valence8's investment management practices, including the Firm's interest in raising funds for the affiliated Funds and that the affiliated Funds provide compensation to Valence8 based on capital commitments.

Notwithstanding this potential conflict and others described below, Valence8 will only make investment decisions for Clients in good faith and in a manner that is consistent with its fiduciary obligations to its Clients, without regard to the benefits (including compensation) to the Firm.

Valence8 and their respective officers, members, managers, employees, and agents are not restricted from forming additional private investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of Valence8 (and their respective affiliates and agents). The Firm also may allow certain investors to invest side-by-side with the Funds in connection with certain investments, and Valence8 may receive fees in connection with such investments. In the event Valence8 or any of its affiliates decide to engage in such activities in the future, Valence8 or its respective affiliates, as applicable, will engage in such activities in a manner that is consistent with its fiduciary duties to the Funds. Nevertheless, these activities could be viewed as creating a conflict of interest in that the time and effort of the members of Valence8 and its officers and employees will not be devoted exclusively to the business of the Funds but will be allocated between the business of the Funds and the management of the monies of other advisees of Valence8.

Where appropriate, Valence8 and/or its respective affiliates may co-invest and/or provide co-investment opportunities to investors, the General Partners, or their respective affiliates, or third parties. In the event of a co-investment opportunity, the General Partners will, in its discretion, determine the terms of such co-investment opportunity and whether and in what amounts, investors, the General Partners, Valence8, or their respective affiliates or third parties will be permitted to participate in such co-investment opportunities.

Valence8 may face actual or potential conflicts of interest when allocating investment opportunities among the Funds, any other clients, and other persons. The general policy of Valence8 is to allocate investment opportunities among its various clients in a fair and equitable manner based upon, among other things, the investment objectives, guidelines and restrictions, risk profiles, financial condition, and tax status of such clients.

Valence8 may establish and operate additional investment funds or enter into other investment advisory relationships with other clients in the future (including clients who are also investors in the Funds), and such other funds or clients may be allocated all or part of investment opportunities that would also be appropriate for the Funds. Valence8 and its affiliates may have differing financial interests, direct or indirect, in the performance of the Funds and other clients. As a result, Valence8 may have an incentive to favor other funds or clients with regard to the allocation of opportunities or participation in particular investments and with regard to the terms of any transactions among funds or clients. Valence8 also may face conflicts between the interests of the Funds and the interests of other clients and between the interests of different groups of investors in the Funds.

Valence8 provides investment advisory services to clients through separately managed accounts ("SMAs"). In managing each Client's account, Valence8 establishes investment objectives and portfolio management guidelines specific to each Client. Potential types of conflicts of interest may arise between Clients. For example, Valence8 has an incentive to allocate more resources to its largest clients, who pay Valence8 the largest fees for similar advisory services compared to other Valence8 Clients. This is mitigated by Valence8's policies and procedures which are designed to treat the execution of all Client's trades in an identical fashion. Examples of other conflicts may include but are not limited to the amount of time and investment ideas allocated to each SMA, orders that may not be fully executed on the same day between SMAs, or trades executed in one SMA that may adversely impact the value of securities held by another SMA. In addition to customizing the investment allocation for each Client, Valence8 has developed allocation procedures for treating each Client in a fair manner.

Valence8 may have an incentive to favor certain accounts over others that may be less lucrative where: (i) the actions taken on behalf of one account may impact other similar or different accounts (e.g., because such accounts have the same or similar investment styles or otherwise compete for investment opportunities, have potentially conflicting investments or investment styles, or have differing abilities to engage in short sales and economically similar transactions); (ii) Valence8 and its personnel have differential interests in such accounts (i.e., expose Valence8 or its related persons to differing potential for gain or loss through differential ownership interests or compensation structures – including circumstances where some accounts pay only asset-based fees while others are subject to performance or incentive fees). To mitigate these conflicts, Valence8's policies and procedures require that investment recommendations and decisions are to be made in accordance with the fiduciary duties owed to its advisory client accounts and without consideration of Valence8's (or its personnel's or affiliates') pecuniary, investment or other financial interests. Valence8 seeks to address this potential conflict by following its policies regarding the equitable allocation of investment opportunities and transaction executions among similar-strategy clients, as applicable. See Item 19 for further details on aggregated trading and allocation policies.

## **Item 7 Types of Clients**

Valence8's provides investment management services to Funds and Individual Mandates which are both U.S. and non-U.S. domiciled. Investors who engage the Firm for Individual Mandates, as well as investors in the Funds, generally include ultra-high net worth individuals, family offices, trusts, investment companies, charitable organizations such as family foundations and institutional clients.



In general, we do not require a minimum of assets to open and maintain an advisory account. At our discretion, we may close an account if it becomes too small to effectively manage.

The minimum investment level for the Funds is described in the offering documents for each fund.

In no event should this Brochure be considered to be an offer of interest the Funds or relied upon in determining to invest. It is also not an offer of or agreement to provide advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about Interplay for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in a offering memorandum. To the extent that there is any conflict between discussions herein and similar or related discussions in any offering memorandum, the offering memorandum shall govern.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

Valence8 focuses its research effort primarily on identifying public and private investment opportunities that it considers to be attractive on a standalone basis. Targeted investments are primarily investment funds managed by third-party investment managers, including registered funds and privately offered funds, co-investments and certain direct investments. The Firm constructs portfolios in a manner that it believes will balance risk and return.

The Firm's investment due diligence approach focuses primarily on fundamental factors such as the quality of the investment manager, the assessment of the attractiveness of the industry or asset class, and discussions with other investors and experts. Valence8's research emphasizes a balance of qualitative and quantitative assessment. The Firm also seeks to conduct rigorous peer group analysis of investment firms and funds under consideration.

### **Investment Strategies**

Individual Mandates focus on investments in both public and private markets, by way of investments in other portfolio funds as well as co-investments and direct investments. Investment are customized to each mandate's specific objectives.

The funds managed by Valence8 have the following primary investment strategies:

- Private Equity & Venture Capital: Investments in private equity and venture capital strategies. Underlying investments may include limited partnerships and funds, co-investments and direct investments in companies backed by private equity sponsors.
- Directional Opportunities: Investments in long-only or long-biased strategies investing in public markets. Underlying investments may include registered funds, privately offered funds and direct investments in securities and derivatives.
- Diversified Strategies: Investments in strategies with low correlation to traditional markets and other active investment managers. Underlying investments may include registered funds, privately offered funds and direct investments in securities and derivatives.

## **Risk of Loss Factors**

Clients should understand that all investments are subject to risks and that the return and the principal value of investments fluctuate depending on general market conditions and other factors, so that from time to time the value of an investment may be worth more or less than its original cost. Clients should be prepared to bear the risk of loss if they desire to sell their investment at a time when its value is worth less than the original cost. Further, depending on the types of investments, there may be varying degrees of risk. Clients should be prepared to bear investment loss including the loss of their original principal investment.

Past performance is not indicative of future results. Therefore, Clients should never assume that future performance of any specific investment or investment strategy will be profitable.

Principal risks associated with any investment, as well as specific risks associated with certain strategies or investment objectives are described below. Further detail in relation to the risks associated with investing in the Funds is set out in each fund's offering documents.

The list below does not purport to be an exhaustive list of the risks that may be associated with any particular investment.

### **Risks of Investments in Securities Generally [All Strategies]**

All securities investments risk the loss of capital. No guarantee or representation is made that Clients' investment program will be successful. The investment program implemented by the Firm may involve some or all risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in Clients' activities. Certain investment techniques can, in certain circumstances, magnify the impact of adverse market moves to which Clients may be subject. In addition, Clients' investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund may invest its assets.

Methods of minimizing such risks on behalf of Clients may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Even if the Firm's risk management approaches are fully effective, it cannot anticipate all risks that it may face. To the extent the Firm fails to identify and adequately monitor and manage all of the risks associated with its trading activities, Clients may suffer losses.

### **Leverage and Financing Risk [Directional Opportunities and Diversified Strategies]**

Where agreed in its investment management agreement with Clients, the Firm may leverage Clients' capital because it believes that the use of leverage may enable Clients to achieve a higher rate of return. Accordingly, Clients may pledge their securities in order to borrow additional funds for investment purposes. Clients may also leverage their investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which Clients may have outstanding at any time may be substantial in relation to their capital.

### Hedging Transactions [All Strategies]

The Firm, on behalf of Clients, may utilize financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of Clients' investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect Clients' unrealized gains in the value of their investment portfolios; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in Clients' portfolios; (v) hedge the interest rate or currency exchange rate on any of Client's liabilities or assets; (vi) protect against any increase in the price of any securities the Firm anticipates purchasing at a later date on behalf of Clients; or (vii) for any other reason that the Firm deems appropriate. Clients will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally and if the Firm does hedge on behalf of Clients, there is no guarantee that such hedging activities will be successful.

### Counterparty Risk [Directional Opportunities and Diversified Strategies]

Some of the markets in which the Firm may effect transactions on behalf of Clients are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing Clients to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Firm has concentrated Client transactions with a single or small group of counterparties. Following the bankruptcy of Lehman Brothers Holdings Inc. on 15 September 2008, there has been significant unwinding of open credit default swap positions and continued market turmoil, which has placed increased strain on the broker-dealer business model, which may create additional counterparty risks for Clients. Unless explicitly states, the Firm, on behalf of Clients, is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, internal credit functions, which evaluate the creditworthiness of its counterparties, may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of Clients' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by Clients.

### Systemic Risk [Directional Opportunities and Diversified Strategies]

Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearinghouses, banks, securities firms and exchanges, with which Clients interacts on a daily basis.

### Competition; Availability of Investments [Directional Opportunities and Diversified Strategies]

Certain markets in which the Firm may invest on behalf of Clients are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that the Firm (or investment managers of underlying funds) will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organized to make such investments, which may result in increased competition to Clients in obtaining suitable investments.

#### *Illiquid Portfolio Instruments [All Strategies]*

The Firm may invest part (for Directional Opportunities and Diversified strategies), or all (for Private Equity & Venture Capital strategy) of Clients' assets in investments in illiquid securities, or funds or securities that do not have a readily ascertainable market value or should be held until the resolution of a special event or circumstances. Clients may not be able to readily dispose of such investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

#### *Structure of Investments [Private Equity & Venture Capital strategy]*

Investments may be made through intermediate holding companies or other vehicles for regulatory or similar reasons. No assurance is given that any particular structure will be suitable for all Investors and, in certain circumstances, such structures may lead to additional costs or reporting obligations for particular Investors.

The Firm, on behalf of Clients, may co-invest with other funds or entities. Such investment may involve risks in connection with such third party involvement, including without limitation the possibility that a third party co-investor may have financial difficulties resulting in a negative impact on such investment.

#### *Management of portfolio companies [Private Equity & Venture Capital strategy]*

Although the Firm will monitor portfolio companies invested in on behalf Clients, each portfolio company will be managed by its own management team. It will therefore primarily be the responsibility of a portfolio company's own officers and management team to operate the portfolio company on a day-to-day basis. There can be no assurance that a portfolio company's management team will operate the company successfully or in accordance with the Firm's plans. Additionally, there can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable management team members. Disagreements between the Firm and the management team of a portfolio company may limit the Firm's ability to bring about operating, strategic or other changes and may limit exit opportunities with respect to that company.

#### *Mutual Funds and Exchange Traded Funds [Individual Mandates]*

Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track

the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

#### Cybersecurity [All Strategies]

Clients, their service providers, and the underlying funds in which they invest may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other things, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information and various other forms of cybersecurity breaches. Cyberattacks affecting Clients, their service providers and/or such underlying funds may adversely impact Clients. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate Net Asset Value, cause the release of private investor information or other confidential information, impede trading, subject Clients, their service providers and/or such underlying funds to regulatory fines and/or financial losses and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for Clients, and may cause Clients' investments to lose value. Clients, their service providers and/or such underlying funds may incur additional costs relating to cybersecurity preparations, and there can be no guarantee that such preparations, though taken in good faith and reasonably designed to safeguard Client's, the Firm's and others' informational systems, would be successful at preventing such attacks. Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

### **Item 9 Disciplinary Information**

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

### **Item 10 Other Financial Industry Activities and Affiliations**

At present, the Firm has one financial industry affiliations. The Firm is affiliated with Valence8 LLP, a UK based entity authorized and regulated by the Financial Conduct Authority.

Please also note that Valence8 US LP is a member of the National Futures Association ("NFA") and is registered with the Commodity Futures Trading Commission ("CFTC") as a Commodity Pool Operator and Commodity Trading Advisor.

The Firm maintains a record of any potential conflicts of interest, including external appointments held by all staff. This list is updated when necessary.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

### **General Arrangements**

The Firm does not pay commissions to receive services, other than execution services, from brokers engaged on behalf of its Clients.

Valence8 always ensures that it owes its Clients a duty of care and loyalty. The Firm is required to execute securities transactions for Clients in a manner such that the net proceeds to the client are the most favorable under the circumstances. It is the Firm's policy to select brokers or counterparties to execute client transactions in a manner that is consistent with the best interests of Clients, rather than any benefit to the Firm, and to employ a trading process that attempts to maximize the value of Clients' portfolios within the pre-agreed investment objectives and constraints.

In selecting a broker, Valence8 will give consideration of the following execution factors, with particular emphasis being given to the price:

- Price
- Speed
- Likelihood of execution and settlement
- Size
- Nature
- Other considerations relevant to the execution of an order

The Firm is not incentivized to select a more expensive broker over another when executing trades.

Trades are allocated on a client by client basis. Where possible trades will be bulked for execution and average pricing ensuring that pricing across clients is as equitable as possible.

Brokerage costs are not paid by the Firm. Clients pay brokerage costs directly to the broker selected. These costs are typically disclosed in the periodic statements produced by the broker and provided to Clients.

### **Item 13 Review of Accounts**

Each Client's account for which Valence8 is the investment manager is subject to periodic, regular review in order to ensure that it remains within the investment guidelines agreed with the client as well as in compliance with statutory and regulatory requirements. The frequency of the review is determined by client requirements, but generally speaking the Funds are reviewed on a monthly basis by the Investment Committee; while Individual Mandates are reviewed on a quarterly basis.

The Funds' administrator also produces monthly capital statements for the Directional and Diversified strategies, while these are produced on a quarterly basis for the Private Equity & Venture Capital strategy.

Further reviews may also be triggered by a notification of a change in a client's circumstances.

### **Item 14 Client Referrals and Other Compensation**

Valence8 does not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals. We may refer Clients to various unaffiliated, non-advisory professionals (e.g., attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients.

### **Item 15 Custody**

The assets of the Firm's Clients are held in custody by a qualified independent third-party custodian or are self-custodied. The Firm does not act as custodian for any assets that it manages as a separate account manager.

Qualified custodians will typically provide Clients with account statements relating to the assets held within the accounts managed by the Firm. Valence8 urges Clients to carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in their account and all account activity over the relevant period.

As a result of being deemed General Partner to its Funds, in certain jurisdictions Valence8 may be deemed to have custody of the funds and securities owned by the Funds' investors. However, in accordance with each Fund's offering documents, the cash and securities of each Fund is held by an independent qualified custodian in the name of the Fund. The Funds are audited annually and investors receive annual financial statements by the Funds' respective independent auditor.

## **Item 16 Investment Discretion**

Valence8 has discretionary authority to manage the assets on behalf of the Funds, while the Firm manages Individual Mandates on both a discretionary and non-discretionary basis. Discretion is determined by the investment management agreement between the Firm and the Clients. Clients may request from time to time that the Firm not recommend specific assets or specific investment techniques. Valence8 is able to customize its approach to each individual client.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## **Item 18 Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

## **Item 19 Additional Information**

### **Aggregated Trading**

As a fiduciary, Valence8 must allocate investment opportunities among its clients in a fair and equitable manner or as otherwise disclosed to its clients. The Adviser will allocate securities and other investment opportunities among clients and securities in aggregated orders in accordance with the Adviser's policies and procedures regarding trade allocations. There are two primary investment opportunity types: 1) underlying investment funds and 2) co-investments.

For underlying investment funds, Valence8 Funds will first receive their desired allocation. When excess capacity exists after the Valence8 Funds have received their desired allocations, capacity will next be offered to all clients with a discretionary Investment Management Agreement. Finally, all other clients are considered for participation based on their desired allocation, as determined by each client and their portfolio management team considering the factors described (a) below. When excess capacity is insufficient to fill all requested orders, opportunities are generally expected to be allocated on a pro rata basis based on each client's indicated order size, subject to conditions such as fund minimum investment amounts and the client's expressed minimum investment amounts.

For co-investments, clients with a primary commitment/investment in the associated Fund will first receive their desired allocation. When capacity in a co-investment opportunity is insufficient to fill all requested orders from clients with a primary commitment/investment in the associated Fund, opportunities are generally expected to be allocated on a pro rata basis based on each client's commitment/investment in the associated Fund, subject to fund and client minimum investment amounts. Example: If Fund X offers Valence8 a co-investment in a portfolio company which is also part of Fund X, clients with an investment in Fund X will receive priority in the allocation of the co-



investment opportunity on a pro rata basis to their commitments to Fund X. "Clients" in this case include both the Valence8 Funds and other clients. For the avoidance of doubt, the Valence8 Funds are treated equally to all other clients for this purpose and shall not receive preferential treatment. When excess capacity exists after all clients with a primary commitment/investment in the associated fund have received their desired allocations, the Valence8 Funds (excluding Valence8 Funds with a primary commitment to the associated Fund, which receive priority in the previous step of the allocation process) will then receive their desired allocation. When excess capacity exists after the Valence8 Funds have received their desired allocations, capacity will next be offered to all clients with a discretionary Investment Management Agreement. Finally, all other clients are considered for participation based on their desired allocation, as determined by each client and their portfolio management team considering the factors described in (a) below. When excess capacity is insufficient to fill all requested orders, opportunities are generally expected to be allocated on a pro rata basis based on each client's indicated order size, subject to conditions such as fund minimum investment amounts and the client's expressed minimum investment amounts. In allocating investment opportunities, Valence8 may also take into consideration the expressions of interest from prospective clients.

In allocating investment opportunities (both underlying investment funds and co-investments), among clients, and taking into account the factors described above and below, it is the Company's policy that all clients should be treated fairly in accordance with these policies.

It should be noted that the allocation for certain investment opportunities may be determined by the associated fund manager or investment sponsor at their own discretion. Where possible, Valence8 will seek to implement its allocation process described above to allocate opportunities among clients.

*(a) Allocation of Investment Opportunities*

Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences amongst clients in invested positions and investment opportunities held. The following factors may be taken into account by the Company in allocating investment opportunities among clients:

- client's investment objective and strategies;
- client's risk profile;
- client's tax status;
- any restrictions placed on a client's portfolio by the client or by virtue of legal or regulatory requirements;
- size of client account;
- total portfolio invested position;
- nature and liquidity of the security to be allocated;
- size of available position;
- supply or demand for a security at a given price level;
- current market conditions;
- timing of cash flows and account liquidity;
- expressions of interest from prospective clients; and
- any other information determined to be relevant to the fair allocation of investment opportunities.

Although it is the Company's policy to allocate investment opportunities to eligible client accounts with the same or substantially similar investment mandate and strategy on a pro rata basis (typically based on indicated order size), the above listed factors may lead the Company to allocate securities to client accounts in varying amounts.

*(b) Allocation of Securities in Aggregated Orders*

When the Company has determined that an investment opportunity is appropriate for multiple clients, the Company may, in its sole discretion, aggregate client orders for the purchase or sale of securities. The Company will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for private investment vehicles:

- The Company's policies for the aggregation of transactions must be fully disclosed to affected clients.
- The Company will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution for its clients and is consistent with the terms of the agreement with each client for which trades are being aggregated.
- No client will be favored over another client other than as permitted under this policy.
- Each client that participates in an aggregated order will participate at the average share price for the Company's transactions in that security on a given business day or such shorter period, as applicable and transaction costs will be shared pro rata based on each client's participation in the aggregated order.
- Each client that participates in an aggregated order will pay the same cost of execution (measured by rate).
- In situations where the Company aggregates an order with one or more client orders and the aggregated order is completely filled, each client will receive the full amount placed by the Company. If the trade is only partially filled/executed then the Company will allocate trades pro rata based on assets under management.

Periodically, the US CCO, with the assistance of other appropriate personnel of the Company, if necessary, will compare the performance of the Adviser's client accounts with substantially similar investment objectives, guidelines and restrictions. Any unexplained significant discrepancies will be reported to senior management to determine appropriate action.

**Privacy Policy Notice**

Valence8 has adopted this privacy policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility. In order to serve you, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard your information.

**Information We Collect:** We collect certain nonpublic information about you ("Customer Information"). The essential purpose for collecting Customer Information is to allow us to provide advisory services to you. Customer Information we collect may include:

- Information that you provide on applications or other forms. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning your financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Identifying information such as your name, age, address, social security number, etc.
- Information about your transactions with us, or others (e.g., broker-dealers, clearing firms, or other chosen investment sponsors).
- Information we receive from consumer reporting agencies (e.g., credit bureaus), as well as other materials we may use to provide appropriate recommendations or to fulfill service requests.

**Security of Your Information:** We restrict access to your nonpublic personal information to those employees who need to know this information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your nonpublic personal information.

**Information We Disclose:** We do not disclose the nonpublic personal information we collect about our customers to anyone except: (i) in furtherance of our business relationship with them and then only to those persons necessary to effect transactions and provide authorized services (such as broker-dealers, custodians, independent managers etc.); (ii) to persons assessing our compliance with industry standards (e.g., professional licensing authorities, consultants, etc.); (iii) our attorneys, accountants, and auditors; or (iv) as otherwise provided by law.

We are permitted by law to disclose the nonpublic personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited from using or sharing the information for any other purpose.

**Former Clients:** If you decide to close your account(s) or become an inactive customer, we will adhere to our privacy policies, which may be amended from time to time.

**Changes to Our Privacy Policy:** In the event of a material change to our privacy policy regarding how we use your confidential information, we will provide written notice to you. Where applicable, you would be given an opportunity to limit or opt-out of such disclosure arrangements.

**Questions:** If you have questions about this privacy notice or about the privacy of your customer information, please e-mail us at [InvestorRelations@valence8.com](mailto:InvestorRelations@valence8.com) or call our main number at +1 (508) 281-9208 and ask to speak to the Chief Compliance Officer.

#### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

#### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.